

connoisseur's license. A licensee shall pay all applicable excise taxes, as provided for in Title 16, Chapter 1, Part 4, imposed on the receipt of beer or wine during the previous six months.

2. Under this proposal, revenue going to the state general fund from the beer or wine connoisseur's licenses is \$1,000 in FY 2002 and \$500 in FY 2003. This is based on the assumption that there will be 20 original beer or wine connoisseur's licenses purchased in FY 2002 and 20 renewed licenses in FY 2003. Revenue going to the state general fund from the beer and wine connoisseur's license is \$2,000 in FY 2002 and \$1,000 in FY 2003. This is based on the assumption that there will be 20 original beer and wine connoisseur's licenses purchased in FY 2002 and 20 renewed licenses in FY 2003.
3. Under this proposal, taxes collected from the beer tax will increase \$19 in FY 2002 and \$75 in FY 2003. Taxes collected from the wine tax will increase \$54 in FY 2002 and \$216 in FY 2003. Sections 7 through 11 of this bill are effective October 1, 2001; hence, connoisseur's can legally purchase beer and wine from out-of-state in FY 2002 only for three months. This is why FY 2002 impacts are less than FY 2003 impacts. Table 1 shows beer and wine tax impact calculations under SB48 for FY 2002 and FY 2003.

Table 1 SB48 Beer and Wine Tax Calculations FY2002 and FY2003								
Description	-----FY2002-----				-----FY2003-----			
	----Beer or Wine----		----Beer and Wine----		----Beer or Wine----		----Beer and Wine----	
	Beer	Wine	Beer	Wine	Beer	Wine	Beer	Wine
Licensed Connoisseur's	10	10	10	10	10	10	10	10
Multiplied by Barrels or Liters per Connoisseur	0.22	10	0.22	10	0.87	40	0.87	40
Tax Base	2.18	100	2.18	100	8.71	400	8.71	400
Multiplied by Tax Rate	<u>\$ 4.30</u>	<u>\$ 0.27</u>	<u>\$ 4.30</u>	<u>\$ 0.27</u>	<u>\$ 4.30</u>	<u>\$ 0.27</u>	<u>\$ 4.30</u>	<u>\$ 0.27</u>
Tax Collected	<u>\$ 9.36</u>	<u>\$ 27.00</u>	<u>\$ 9.36</u>	<u>\$ 27.00</u>	<u>\$ 37.45</u>	<u>\$ 108.00</u>	<u>\$ 37.45</u>	<u>\$ 108.00</u>

4. Table 2 shows the distribution of the new tax collected under SB48 to the proper accounts/funds.

Table 2 SB48 Distribution Calculations FY2002 and FY2003		
----- Beer Tax -----		
	<u>FY2002</u>	<u>FY2003</u>
Tax Collected under SB48	\$ 18.73	\$ 74.90
Distribution		
Cities and Towns (65.12%)	\$ 12.19	\$ 48.78
DPHHS (23.25%)	\$ 4.35	\$ 17.42
State General Fund (11.63%)	\$ 2.18	\$ 8.71
----- Wine Tax -----		
	<u>FY2002</u>	<u>FY2003</u>
Tax Collected under SB48	\$ 54.00	\$ 216.00
Distribution		
State General Fund(59%)	\$ 31.86	\$ 127.44
DPHHS (31%)	\$ 16.74	\$ 66.96
Cities and Towns (5%)	\$ 2.70	\$ 10.80
Counties (5%)	\$ 2.70	\$ 10.80

FISCAL IMPACT:

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
<u>Revenues:</u>		
General Fund (01)	\$3,034	\$1,636
State Special Revenue (DPHHS) (02)	\$21	\$84
Cities and Towns (03)	\$15	\$60
Counties (04)	\$3	\$11
 <u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	\$3,034	\$1,636
State Special Revenue (DPHHS) (02)	\$21	\$84
Cities and Towns (03)	\$15	\$60
Counties (04)	\$3	\$11